

Message Text

LIMITED OFFICIAL USE

PAGE 01 CANBER 06860 180827Z

11

ACTION EA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-04 FRB-01

INR-05 NSAE-00 RSC-01 TRSE-00 XMB-02 OPIC-06 SP-02

CIEP-01 LAB-01 SIL-01 OMB-01 DRC-01 DOTE-00 /042 W

----- 033023

R 180718Z OCT 74

FM AMEMBASSY CANBERRA

TO SECSTATE WASHDC 4319

INFO AMCONSUL BRISBANE

AMCONSUL MELBOURNE

AMCONSUL PERTH

CMCONSUL SYDNEY 2648

AMEMBASSY TOKYO

AMEMBASSY WELLINGTON

LIMITED OFFICIAL USE CANBERRA 6860

E.O. 11652: N/A

TAGS: ETRD, ELAB, EWWT, AS

SUBJ: EFFECTS AND PROSPECTS OF UNION BAN ON AUTO IMPORTS

REF: A. MELBOURNE 1210(NOTAL); B. SYDNEY 2181(NOTAL); C. CANBERRA
A-161

1. SUMMARY: NION BAN ON CAR IMPORTS INTO SYDNEY
MAY BE BARGAINING PLOY FOR IMPORT QUOTAS. BAN HAS
NOT SPREAD TO MELBOURNE OR ELSEWHERE BUT MAY. U.S.
FIRMS NOT YET AFFECTED, BUT UNION'S ACTION MAY
ENCOURAGE OTHERS TO DEMAND ADDITIONAL IMPORT BARRIERS.
END SUMMARY.

2. LATEST DEVELOPMENT IN NSW FEDERATED CLERKS UNION
(FCU) BAN ON HANDLING IMPORT OF AUTOMOBILES AT SYDNEY
(REF A) IS NEWS STORY IN OCTOBER 18 AUSTRALIAN STATING
THAT ACTU PRESIDENT HAWKE WILL REQUEST PRIME
MINISTER WHITLAM TO LIMIT ANNUAL IMPORTS OF
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 CANBER 06860 180827Z

C.B.U. VEHICLES TO 10,000 A YEAR. (CURRENT ANNUAL

IMPORT LEVEL IS ABOUT 150,000.) IMPORT QUOTAS
WILL APPARENTLY BE SOUGHT AS PRICE OF UNION ACCEPTANCE
OF CLOSE-DOWN OF MOST LEYLAND MANUFACTURING OPERATIONS,
ALTHOUGH LABOR PARTY CAUCUS COMMITTEE REQUESTED GOA
OCTOBER 17 TO RECONSIDER DECISION (REF B) TO BUY OUT
LEYLAND REAL ESTATE AND OTHER ASSETS. NEWS STORY
ALSO REPORTS QUEENSLAND BRANCH OF FCU HAS REFUSED
TO JOIN NSW BRANCH IN IMPORT BAN.

3. NO INDICATION YET THAT UNION BAN WILL SPREAD TO
MELBOURNE, WHICH HAS RECENTLY RECEIVED LARGER SHARE
OF BURGEONING CAR IMPORTS BECAUSE OF EARLIER CONGESTION
IN SYDNEY. HOWEVER, SUCH A POSSIBILITY CANNOT BE
RULED OUT.

4. CONGEN MILBOURNE HAS DISCUSSED DEVELOPMENTS
WITH THREE US-OWNED AUTO MANUFACTURERS. GENERAL
MOTORS-HOLDEN IS NOT CONCERNED UNLESS UNION BAN
PERSISTS A LONG TIME. GM-H IMPORTS SOME HEAVY
TRUCKS FROM JAPAN BUT CURRENTLY HAS FULL INVENTORY.
FORD PRIVATELY EXPRESSED DELIGHT AT BAN BECAUSE
JAPANESE HAVE BEEN "DUMPING" HERE FOR A LONG TIME.
CHRYSLER FORESEES NO PROBLEM, UNLESS BAN SPREADS
TO MELBOURNE, WHERE IT IS EXPECTING MAJOR SHIPMENTS
OF JAPANESE-MADE LANCERS. IF LANCERS, IN WHICH
CHRYSLER HAS SUBSTANTIAL CAPITAL TIED UP, ARE HELD
ON DOCKS FOR EXTENDED PERIOD, COMPANY WOULD BE
HARD-PRESSED. HOWEVER, CHRYSLER OFFICIAL TOLD
PRESS UNION BAN NOT SURPRISING AND OFFERED TO
ASSEMBLE LANCERS LOCALLY.

5. JAPANESE EMBASSY OFFICER TOLD EMBASSY JAPANESE
ARE WORRIED ABOUT BAN AND FORESEE NO EFFECTIVE GOA
ACTION TO RESCIND IT. TOYOTA AND NISSAN WOULD NOT
BE INTERESTED IN LEYLAND FACILITIES, DESPITE LABOR
BACKBENCHERS SUGGESTION JAPANESE TAKE OVER PLANT,
BUT OFFICER COULD NOT RULE OUT POSSIBLE MAZDA INTEREST.

6. IN LATE DEVELOPMENT LABATT ADVISED FRIDAY
AFTERNOON BY FCU SECRETARY GRENVILLE THAT FCU
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 CANBER 06860 180827Z

BAN IN NSW WOULD NOT REPEAT NOT BE EXTENDED TO
OTHER PORTS AND FCU WOULD LIFT BAN IN NSW
OCTOBER 21. LABATT BELIEVES POSSIBILITY
OF BAN BEING PICKED UP AND ENFORCED BY WATERSIDE
UNIONS VERY REMOTE. MEANWHILE, NEXT IMPORTANT
DEVELOPMENT WILL BE OUTCOME OF HAWKE'S DEMAND
THAT CABINET AGREE TO SOME FORM OF IMPORT
LIMITATION.

7. EMBASSY COMMENT: ONCE AGAIN, ABRUPT ACTION BY LABOR GROUP THREATENS TO FORCE GOA'S HAND ON ECONOMIC POLICY. U.S. TRADE INTERESTS HAVE NOT BEEN DIRECTLY AFFECTED BECAUSE AUSTRALIAN C.B.U. AUTO IMPORTS PRIMARILY FROM JAPAN AND MOST OF BALANCE FROM EUROPE. FOR THE PRESENT THE MOST IMPORTANT QUESTION POSED IS WHETHER GOA WILL YIELD TO UNION PRESSURE AND THE EFFECT WHICH THE GOVERNMENT'S RESPONSE MAY HAVE, FOR BETTER OR WORSE, ON OTHER SECTORAL INTERESTS DEMANDING SHARP INCREASES IN PROTECTIN FROM IMPACT OF IMPORTS. IN ANY CASE, UNION MILITANCY WILL RE-ENFORCE GOA'S CAUTION IN CONSIDERING INDUSTRIES ASSISTANCE COMMISSION'S RECOMMENDATIONS (REF C) FOR RESTRUCTURING AUTO INDUSTRY. IRONIC NOTE IN THIS CONNECTION IS THAT LEYLAND DECISION TO CEASE MANUFACTURE AMOUNTS IN BACKHANDED FASHION TO IMPLEMENTATION OF ONE MAJOR STEP IN LONG-TERM RESTRUCTURING WHICH IAC REPORT CONTEMPLATED.
GREEN

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: IMPORT CONTROLS, AUTOMOBILES, LABOR UNIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 18 OCT 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: shawdg
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974CANBER06860
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740296-1154
From: CANBERRA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741037/aaaabewq.tel
Line Count: 136
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: A. MELBOURNE 1210(NOTAL); B. SYDNEY, 2181(NOTAL); C. CANBERRA
Review Action: RELEASED, APPROVED
Review Authority: shawdg
Review Comment: n/a
Review Content Flags:
Review Date: 09 JUL 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <09 JUL 2002 by boyleja>; APPROVED <19 MAR 2003 by shawdg>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EFFECTS AND PROSPECTS OF UNION BAN ON AUTO IMPORTS
TAGS: ETRD, ELAB, EWWT, AS
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005